

Elected Members' Remuneration

The City of Edinburgh Council

17 May 2007

1 Purpose of report

- 1.1 To inform Members of the changes to the arrangements for Elected Members' remuneration. It should be noted that the information contained in this report is based on interim guidance issued by the Scottish Executive. Further reports will be submitted to the Council setting out the Council's proposed arrangements and more detailed guidance will be issued to Elected Members.

2 Main report

- 2.1 The following regulations replace the basic allowance and special responsibility allowance schemes and come into operation for Councillors elected at local government elections after 2 May 2007.
- 2.2 Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SS1/2007/183)
Local Government (Allowances and Expenses) (Scotland) Regulations 2007 (SS1/2007/108)
Local Governance (Scotland) Act 2004 (Allowances and Expenses) Regulations 2007 (SS1/2007/265)
- 2.3 References to remuneration in the following sections cover salary, allowance and reimbursement of actual expenditure. Under the regulations, for the purposes of calculation of amounts payable each Council has been banded. In the case of the City of Edinburgh this is Band D.

Salaries

- 2.4 There will be four levels of payment for Councillors.

Councillors:

- 2.5 £15,452 per annum. This figure is fixed nationally and applies to all Councillors other than the Leader of the Council, the Civic Head and Senior Councillors. Entitlement to payment will be effective from 3 May 2007.

Leader of the Council:

- 2.6 £46,357 per annum. This figure is fixed nationally. Entitlement to payment will be effective from the date of appointment.

Civic Head (Lord Provost):

- 2.7 The Council can pay up to a maximum of 75% of the Leader's salary (ie a maximum of £34,768). Entitlement to payment will be effective from the date of appointment. Representations have been made to the Minister outlining the special nature of the duties performed by Edinburgh's Lord Provost, however the regulations remain unchanged.
- 2.8 The Council requires to determine the level of payment to be made. In view of the level of duties it is suggested that the maximum percentage of the Leader's salary be paid.

Senior Councillors:

- 2.9 In addition to the Leader of the Council and the Civic Head, the Council may appoint up to a maximum of 24 Senior Councillors.
- 2.10 The regulations limit the total amount payable to Senior Councillors and specify how this is calculated. In the Council's case, the limit has been set at £602,637. (Average per Senior Councillor is therefore £25,110 if all 24 appointments are made).
- 2.11 The maximum amount payable to a Senior Councillor will be 75% of the remuneration payable to the Leader of the Council (ie £34,768). Entitlement to payment will be effective from the date of appointment.
- 2.12 Where Senior Councillors are appointed as Convener or Vice Convener of the Licensing Board, these could count as part of the council's quota of Senior Councillors. The Council will require to determine the number of Senior Councillors and amounts paid up to the maximum amount payable.
- 2.13 Salaries will be paid monthly in arrears. At the end of May, interim payments will be made and adjusted where appropriate the following month.

Joint Boards:

- 2.14 The arrangements for making payments to Conveners and Vice Conveners of Joint Boards will be on an interim basis until an amendment to primary legislation is enacted.
- 2.15 For joint boards responsible for Police or Fire and Rescue, Convener's remuneration (£34,768) will be based on 75% of the remuneration of the Leader of the highest banded council represented on the joint board. Vice Conveners will be remunerated at 75% of the Convener's payment (£26,876).
- 2.16 For other joint boards, namely the Lothian Valuation Board and the Forth Estuary Transport Authority (FETA), remuneration will be limited to 75% of the Leader of a Band A Council ie £19,316 and the Vice Convener £18,350 per annum. If the Convener or Vice Convener is already designated as a senior councillor in their own authority and would receive a higher salary, the higher salary should be paid.

- 2.17 Conveners and Vice Conveners of joint boards will normally be in addition to the maximum number of senior councillors allocated to a council, unless they are already designated as a senior councillor in their own authority.

Allowances and Reimbursement of Expenses:

- 2.18 Allowances and reimbursement of expenses are payable in respect of approved duties. The list of approved duties is unchanged and details are set out in Appendix 1. A summary of the maximum revised rates payable with effect from 3 May is set out in Appendix 2.

Attention is drawn to the following principles set out in the regulations.

- 2.19 Reimbursement of expenses is based on actual receipted expenditure, subject to the limits prescribed in the regulations. In order to obtain reimbursement, claims must be supported by receipts. **If a receipt is not produced, then no reimbursement will be made.** The only exception to this will be mileage claims, road and bridge tolls.
- 2.20 Some reimbursed expenditure may be subject to PAYE. In particular, the mileage allowance is in excess of the maximum statutory tax free rate and will be subject to a tax charge. Further clarification is being sought from HM Revenue and Customs.
- 2.21 The regulations contain a standard claim form to be used by all councils. Although declarations on claim forms must be hand signed it is intended to implement an electronic version by the end of May.
- 2.22 Details of payments to Elected Members will continue to be published and this will be in a standard format.

Reimbursement of expenses incurred by the Civic Head:

- 2.23 In addition to their remuneration, the Council may reimburse actual receipted expenditure incurred by the Civic Head in carrying out civic duties. In a full financial year this sum has been fixed at £5,000. The Council requires to agree to reimburse these expenses. The Council has been advised that this amount is not available to reimburse expenses incurred by any other councillor deputising for the Civic Head. HM Revenue and Customs have indicated all such expenses will need to be reported to them and that some items may be liable to PAYE.

Pension Arrangements:

- 2.24 Separate regulations have been issued concerning a councillor's entitlement to join the Local Government Pension Scheme. Additionally, it may be possible for a councillor to purchase previous service back to 1996. Guidance is currently being prepared and further information can be found on the Lothian Pension Fund web site (www.lpf.org.uk).

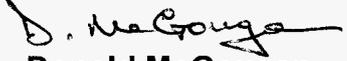
3 Recommendations

3.1 The Council notes:

- (a) the new regulations dealing with Elected Members' remuneration and expenses.
- (b) that further reports will be submitted setting out the Council's proposed arrangements, in particular the options for the structure and salary levels for Senior Councillors.
- (c) expense limits contained in the regulations and the principle concerning the production of receipts.

3.2 The Council approves:

- (a) the implementation of the salary arrangements for Councillors and the Leader of the Council.
- (b) the level of salary to be paid to the Civic Head (Lord Provost) to be fixed at the maximum level provided in the regulations.
- (c) the maximum amount payable under the regulations (£5,000) for the reimbursement of the Civic Head's expenses.


Donald McGougan
Director of Finance
9th May 2007.

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| Appendices | Allowance and Expenses |
| Contact/tel | Ian Gordon, Head of Payments and Procurement Services Telephone: 0131 529 4696 |
| Wards affected | All |
| Background Papers | Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SS1/2007/183) Local Government (Allowances and Expenses) (Scotland) Regulations 2007 (SS1/2007/108) Local Governance (Scotland) Act 2004 (Allowances and Expenses) Regulations 2007 (SS1/2007/265) |

Approved Duties

Allowances are payable for the purpose of an approved duty and in terms of the 1973 Act, approved duty denotes the following:

- (i) attendance at meetings of the Council
- (ii) attendance at meetings of any committee or sub committee of the Council, provided such attendance is:
 - a) as a member of the committee or sub committee; or
 - b) at the invitation of the committee or sub committee; or
 - c) expressly authorised by the committee or the sub committee or the Council itself
- (iii) the doing of any other thing approved by the Council, or anything of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the Council, or any of its committees or sub committees.

This also includes the Convention of Scottish Local Authorities, The City of Edinburgh Council and Joint Boards of which the Council is a participant.

By virtue of section 57 of the Local Government (Scotland) Act 1973, the Council has appointed the following as committees to discharge functions on its behalf:

- an Executive;
- Scrutiny Panels
- Standards Committee
- Other Committees for decisions which affect the rights of individuals;
- Local Development Committees

The functions listed below are classified as approved duties and any reference to committees or sub committees shall mean the bodies referred to above.

- a) Attendance at a meeting of the Council or of any of its committees or sub-committees.
- b) The carrying out by a Councillor of such duties as may be prescribed by the Council or by any of its committees or sub-committees to be carried out by that Councillor for the purpose of, or in connection with, the discharge of the functions of the Council or of any of its committees or sub-committees.
- c) The carrying out for a body, to which a Councillor has been nominated or appointed by the Council, of duties for the purpose of, or in connection with, the discharge of the functions of the Council or of any of its committees or sub-committees.
- d) Attendance by a Councillor at a specified place and at a pre-arranged time for the purpose of being available for consultation by constituents on problems arising in connection with the discharge of the functions of the Council or of any of its committees or sub-committees. Attendance for the consultation with constituents at a place within the area of the Council other than at fixed or specified locations.
- e) Attendance in the capacity as a Member of Council at meetings, functions or ceremonies at the invitation of non-party political organisations.

- f) Attendance by invitation in the capacity of a member of Council at functions or ceremonies organised by or on behalf of the Council.
- g) Attendance with the appropriate official to discuss matters directly concerned with the discharge of the functions of the Council or of any of its committees or sub-committees, or which arise from complaints or applications to a Councillor by any of that Councillor's divisional constituents.
- h) Attendance at a meeting of Councillors in terms of Standing Orders concerning Notice of Meetings or Council Business, pre-arranged for the purpose of discussing the discharge of the functions of the Council or of any of its committees or sub-committees.
- i) Attendance at the Council premises for the purpose of carrying out clerical research and correspondence duties directly concerned with the functions of the Council subject to a maximum of two claims per week during weekdays and normal office hours.
- j) Attendance as a witness on behalf of the Council at an inquiry or proceedings.
- k) Attendance at an official ceremony at which a Councillor has been nominated to attend by the Council, committee, a sub-committee or the Convener.
- l) Attendance by Councillors at their party group meetings.
- m) Attendance as a witness at any meetings of the Executive and Scrutiny Panels.

Activities of a purely political nature are not recognised as an approved duty.

Councillors who may be appointed to and attend meetings of outside bodies such as Local Health Councils, Health Boards, or Energy Watch are not deemed to be performing approved duties for the Council and cannot therefore claim reimbursement of expenses from The City of Edinburgh Council, however these bodies will meet expenses connected with attendance at their meetings.

Where an Elected Member is accompanied by a partner and this is on a personal basis all costs incurred by the partner must be reimbursed to the Council within one month of the approved duty.

**Elected Members' Remuneration
Maximum Allowance & Expenses**

| Subsistence | | |
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| 1. | Breakfast (where no overnight subsistence is claimed) | £8 per day |
| 2. | Lunch | £12 per day |
| 3. | Dinner | £25 per day |
| | Meals taken within councillor's ward | No reimbursement |
| | Meals taken within any council premises | No reimbursement |
| Overnight accommodation away from home and local authority premises (cost for bed and breakfast) | | |
| 1. | Within London | £118.63 |
| 2. | Elsewhere | £94.82 |
| Travel | | |
| Other particular costs of travel by private car, motorcycle or bicycle, being - | | |
| 1. | 49.3p per mile for travel by car or van 24p per mile for travel by motorcycle 20p per mile for travel by bicycle 5p per passenger per mile where both the passenger and the councillor are carrying out any approved duties | }Reimbursement on submission of }signed claim forms } } } } |
| 2. | Parking Charges | Receipted cost of expense |
| 3. | Road pricing schemes and congestion charging | Receipted cost of expense |
| 4. | Ferry Fares | Receipted cost of expense |
| | Road & Bridge Tolls | Actual cost of expense |
| | Public Transport (including taxis) | Receipted cost of expense |
| Telephone & Information Communication Technology (ICT Expenses) | | |
| 1. | Telephone and line rental for use of personal telephone and computer for approved duties | 50 per cent of the line rental cost |
| 2. | Telephone and computer costs for second line for approved duties use | Receipted cost of expense |
| 3. | Telephone and computer costs (apart from call or line rental) necessarily incurred for approved duties | Receipted cost of expense |
| 4. | Calls made in respect of approved duties, upon a home telephone, networked personal computer, fax machine or personal mobile phone | Receipted cost of expense |
| 5. | Purchase of mobile phones, PC equipment and fax machines | No reimbursement |

Note – Use of taxis. The Council's taxi contract should be used for all journeys within Edinburgh.